BRITISH COLUMBIA
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Stats

Infoline

Contact: bcstats.infoline@gov.bc.ca Issue: 08-19 May 9th, 2008

- **BC's unemployment rate unchanged at 4.3% in April**
- **Building permits inch up in March; but year-to-date are down from the first quarter of 2007**
- **Workplace injuries inch up in 2007, but 46 fewer lives were lost last year than in 2006**

Labour Force

- **British Columbia's unemployment rate remained unchanged at 4.3% *(seasonally adjusted)* in April as employment growth of 0.3% was offset by a similar increase in the labour force (the number of people either working or looking for work).** Employment was up for a second straight month, bolstered by continued job growth (+1.1%) in the service sector, where most industries were taking on more workers. In the goods sector, employment fell 2.6% as gains made in March were more or less wiped out.

  Full-time employment advanced (+0.9%) but there were fewer people working part-time (-2.0%). In the public sector, employment expanded 2.0%, as job growth in the public administration and education industries offset losses in the health care industry. There were fewer private sector jobs (-0.6%), but the number of self-employed British Columbians was up 1.7%.

  The youth (aged 15-24) unemployment rate remained low, at 7.7%, but was still more than double the jobless rate (3.7%) for more seasoned workers (25 and older).

  Data Source: Statistics Canada

- **Labour market conditions in Vancouver Island/Coast remained polarized, as residents of Victoria continued to see very little unemployment (2.8%, *3-month moving average, unadjusted*) while job-seekers in the rest of the region faced more challenging conditions.** Nanaimo's unemployment rate was 7.9%, nearly three times the jobless rate in Victoria and well above the regional average (4.6%). The unemployment rate in Kamloops (8.3%) was also considerably higher than the average for Thompson/Okanagan (5.6%).

  Kootenay's jobless rate fell to 2.5%, as both the labour force and employment in the region contracted. Unemployment rates in other regions ranged from 3.9% in Mainland/Southwest to 7.9% in North Coast/Nechako.

  Data Source: Statistics Canada

- **Canada's unemployment rate edged up to 6.1% *(seasonally adjusted)* in April as employment (+0.1%) and the labour force (+0.1%) expanded in tandem.** All four western provinces continued to post the lowest unemployment rates in the country, with Alberta (3.3%) and Manitoba (3.8%) coming in at less than four percent while BC and Saskatchewan were both at 4.3%. Rates in the rest of the country ranged from 6.3% in Ontario to 13.2% in Newfoundland, where the unemployment rate remains well into the double digits despite extremely strong economic growth in recent years.

  Data Source: Statistics Canada

The Economy

- **The value of building permits issued by BC municipalities inched up (+0.8% seasonally adjusted) in March, a significant slowdown from February's pace (+15.4%).** Permits for residential projects declined 10.1%, while permits for other types of buildings soared (+43.2%). Planned spending on commercial projects surged (+84.4%), but permits for institutional & government (-12.5%) and industrial (-13.8%) projects declined. The value of permits nearly doubled in Abbotsford (+96.2%) and

Report

Call of the Loonie: American Film & Television Productions Shun BC in 2007

Did you know...
4% of BC mothers list cleaning products as the worst Mothers' Day gift to receive, but many more (41%) agree that the worst gift is no gift at all *Source: Ipsos Canada*

was also higher in Vancouver (+6.2%), where most building activity occurs. On the other hand, building intentions in Kelowna (-24.3%) and Victoria (-2.3%) eased.

Nationally, permits declined 4.5%, pulled down substantially by slowdowns in Alberta (-32.9%). Permits were also down in Manitoba (-5.8%) and parts of Atlantic Canada, while planned spending was up many other parts of the country, including Ontario (+7.3%) and Quebec (+2.7%). *Data Source: Statistics Canada*

- **During the first three months of 2008, the value of building permits issued in the province dropped 10.4% below the level in the same period of last year.** Permits were down in Mainland/Southwest (-14.6%), where planned spending on commercial (-39.5%) and institutional (-49.5%) projects plummeted, while overall intentions also declined substantially in Vancouver Island/Coast (-16.5%). However, investment intentions were robust in many other regions, with Cariboo (+68.7%), Nechako (+63.8%) and Northeast (+38.9%) standing out in terms of growth.
Data Source: Statistics Canada & BC Stats

Workplace Injuries

- **A total of 173,538 new work-related injuries were reported to BC's Workers' Compensation Board last year, a slight increase (+0.4%) from the claims reported in 2006.** There were 228 work-related fatalities in 2007, 46 fewer than in the previous year. Although the number of work-related injuries reported last year was higher than in 2006, they remained significantly lower than in 2000, when 181,631 people were injured on the job. *Data Source: WorkSafeBC*

Retirement and Public Service

- **Since the turn of the century, as the first cohort of baby boomers begin to retire, the retirement rate among federal public servants has almost tripled.** Compared to the labour force as a whole, retirements have increased more quickly in the public service, partly because public servants are 5.3 years older on average than workers in the general labour force, and they tend to retire 3.2 years earlier. However, not all public servants retire immediately upon eligibility. In the fiscal year ending March 2007, nearly half (44%) put off retirement. Retirement patterns among men and women in public service have become more and more convergent in recent years. Between fiscal year 2000/2001 and 2006/2007, the proportion of retirees who were women increased from 40% to 47%. *Data Source: S.C. Catalogue #11-621-MIE*

The Nation

- **Canadian exports increased 1.6% in March.** Shipments to the US (+0.7%) and the European Union (+0.8%) strengthened, while exports to Japan slipped (-17.9%). An expansion in energy exports (+6.6%) fuelled the growth, but shipments of agriculture & fishing products (+4.7%) and other consumer goods (+13.4 %) were also notably higher. Exports of automotive (-4.9%) and forestry (-7.7%) products were down from February levels.
Data Source: Statistics Canada

- **In 2007, foreign direct investment in Canada (+14.4%) soared, while Canadian direct investment abroad slipped (-2.9%).** Foreign investment in Canadian securities reached the half-trillion mark for the first time ($500.9 billion) last year, up $63.1 billion from 2006, while the soaring Canadian dollar lowered the value of existing investments abroad, causing Canadian investment in foreign securities to decline ($15.5 billion to $515.5 billion). On a year-over-year basis, the Canadian dollar gained strongly against the US dollar (+18%), the pound sterling (+16%) and, to a lesser extent, the Euro (+6%). *Data Source: Statistics Canada*

- **Canada's stocks of grain and oilseeds have fallen markedly from previous years, reflecting recurrent declines in the Western provinces.** With the exception of corn for grain and oats, total inventories for all major grains and oilseeds, including commercial and on-farm inventories, have dropped significantly since March of last year. Total stocks of wheat excluding durum amounted to approximately 8.8 million tonnes, down by almost half (4.0 million tonnes) from March of 2007.
Data Source: Statistics Canada

For data originating from Statistics Canada, data sourced to 'Statistics Canada' has been retrieved from CANSIM, the agency's electronic database; otherwise the source is identified as 'SC' plus the catalogue number.

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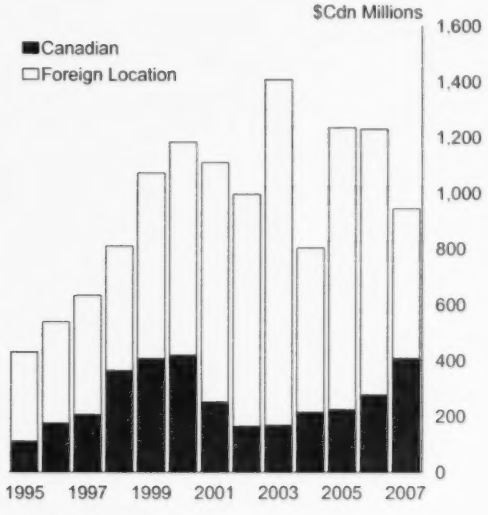
Originally published in
Exports Issue 08-02

Call of the Loonie: American Film & Television Productions Shun BC in 2007

Similar to many Canadian industries dependent on customers in the United States, the BC film and television sector experienced a downturn in 2007 as the march of the Canadian dollar to parity with its US counterpart hurt the industry's ability to attract American productions to British Columbia. Overall spending on film and television production in the province fell 23%, from over $1.2 billion in 2006 to $943 million in 2007[1]. The effects of the rising dollar, combined with work stoppages resulting from a strike by screenwriters, hit foreign location film and television production hard, as spending on foreign productions plunged 44%.

Overall film and television production spending was down in BC in 2007, but spending on Canadian productions was up



Source: BC Film Commission

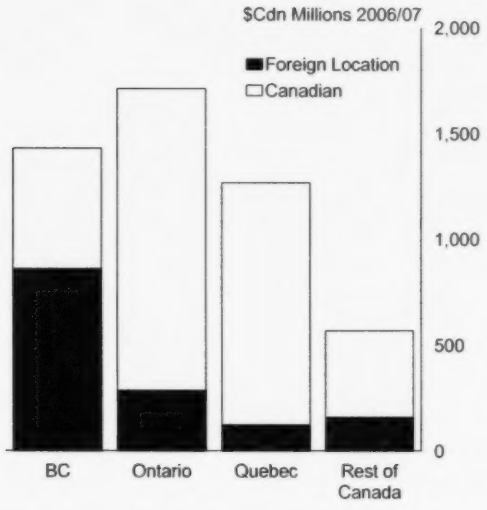
On the other hand, spending on domestic production surged 47% to its highest level in seven years, partially mitigating the drop in foreign production. It is possible that some of the increase in domestic production was due to a jump in demand resulting from the writers' strike, as well as the increased availability of crew and studios that would normally be reserved for major American film and television productions.

BC continues to rely far more heavily on foreign production than other provinces. According to an annual industry report[2], over the last ten years the average proportion of Canadian film and television production expenditures comprised of foreign location shooting was 34%. In Quebec, where domestic production for the francophone market dominates the industry, the average was only 17%, while in Ontario, 23% of film and TV production expenditures were from foreign sources. By way of contrast, in BC the ten-year average was 69%.

[1] Source: BC Film Commission

[2] *Profile 2008: An Economic Report on the Canadian Film and Television Production Industry* is the latest in an annual series of reports published by the Canadian Film and Television Production Association with the collaboration of l'Association des producteurs de films et de television du Québec and the Department of Canadian Heritage using facts and figures prepared by the Nordicity Group Ltd. Note that the figures quoted from this publication may not be consistent with those from the BC Film Commission due to definitional and methodological issues, as well as the fact that it uses fiscal year measurements instead of the calendar year figures used by the BC Film Commission.

BC is far more reliant on foreign location film and television production than the rest of Canada



Source: Canadian Heritage, CFTPA, APFTQ (Profile 2008)

Having lost the currency advantage they once enjoyed, the Canadian film and television sectors are having to depend more on incentives such as tax credits to lure foreign location (and even domestic) productions. When both Ontario and Quebec recently raised their tax credits to remain competitive in the pursuit of foreign location productions, British Columbia followed suit, matching Ontario's credits.

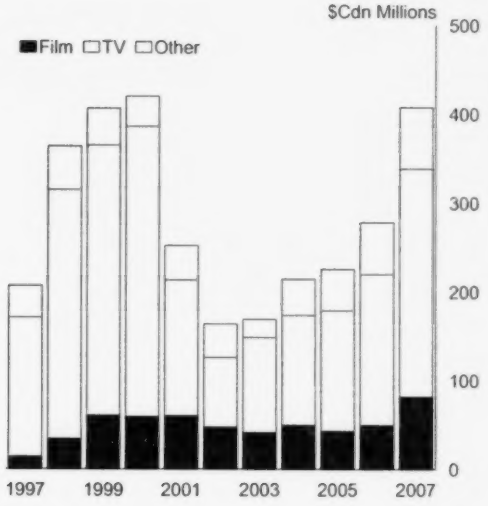
However, other Canadian provinces are not the only regions trying to entice filmmakers with incentives. Other locales, including American states, such as Louisiana and New Mexico, offer similar incentives to film producers. The big budgets and the ancillary benefits of having a blockbuster Hollywood production film in a particular location have spawned many imitators of Canada's tax credit strategy. As a result, the incentives available to film and television producers have become more lucrative as each region tries to one-up the other.

At some point, British Columbia may be either unable or unwilling to match another region's incentives, which could leave BC's film production industry with a shortage of foreign productions wanting to film in the province. One way to break that dependence on the export market would be to try to develop more of a domestic industry; however, this may be easier said than done.

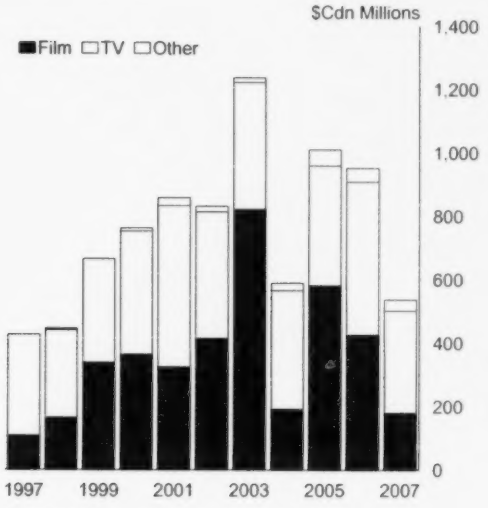
Domestic production in British Columbia is dominated by television productions, including both series and movies of the week. In comparison to spending on projects for television, feature films are a minor component of Canadian productions filmed in BC. On average, approximately one in five dollars spent on domestic production in BC is on feature films. For foreign location productions, on the other hand, feature films are responsible for almost half of expenditures, on average.

The emphasis on television over feature films for Canadian productions is not just a BC phenomenon. Canadian feature filmmakers face a number of challenges, including securing financing for production as well as funding for the marketing and promotion of the finished product. In addition, even finding venues in which to screen Canadian movies can be difficult. The major film studios all have their own distribution arm and since they are the premier source of the big blockbuster films that bring in the largest box office receipts, the exhibitors want to ensure that they are able to show those films. To do this, they have to be willing to offer up a screen for a major Hollywood release when the studios want it, even if it means bumping another film, such as an independent Canadian product.

Canadian film and television activity in BC is dominated by television productions...



...whereas for foreign location productions shot in BC, film is equally as important as TV



Source: BC Film Commission
Other is Animation, Documentaries and Short Films

According to the Profile 2008 report published by the Canadian Film and Television Production Association, Canadian feature films were responsible for only 3.2% of Canadian box office revenues in 2007, compared to 88.9% for American films and 7.8% for other foreign films. A discouraging fact for Canadian filmmakers is that box office revenues for Canadian films fell 20%, despite the fact that there were more films playing (112 in 2007 compared to 99 in 2006).

The fact that Canadian films were prominent in the nominations for Academy Awards suggests that quality is not necessarily the reason for the decline. Rather, it may be the other challenges faced by Canadian films such as lack of promotional funds, shortage of venues and smaller budgets. According to Profile 2008, all of the top ten films in the English language market in terms of box office were American productions. Most of these were big budget productions such as Transformers and Spider-Man 3, which ranked first and second respectively in box office receipts in Canada.

Television productions do not face the same difficulties, for the most part, as feature films, having the advantage of Canadian content regulations to ensure they have a venue for their product. Nevertheless, the Canadian television industry also finds it difficult to compete with American programming. Similar to the feature film market, all of the top ten television series in Canada were of American origin.

If Canada's film and television production industry is to continue to thrive, it is likely that it will have to find a way to get Canadians more interested in domestic products. Given the fact the loonie is expected to remain at or near par for some time to come, the industry is going to find it more difficult to continue to attract foreign location productions. With the possibility of an actors' strike occurring in the next few months, 2008 could prove to be another challenging year for BC's film and television sector.

Infoline

May 9, 2008
Issue 08-19

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BC at a glance . . .

POPULATION (thousands)	Jan 1/08	% change on one year ago
BC	4,414.0	1.5
Canada	33,143.6	1.1
GDP and INCOME (Revised Apr 28)		
(BC - at market prices)	2007	% change on one year ago
Gross Domestic Product (GDP) *($ millions)*	190,214	5.5
GDP *($ 2002 millions)*	163,200	3.1
GDP *($ 2002 per Capita)*	37,258	1.7
Personal Disposable Income *($ 2002 per Capita)*	24,728	3.0
TRADE ($ millions, seasonally adjusted)		% change on prev. month
Manufacturing Shipments - Feb	3,342	-0.2
Merchandise Exports - Feb	2,552	8.2
Retail Sales - Feb	4,744	-1.1
CONSUMER PRICE INDEX	% change on one year ago	12-month avg % change
(all items - Mar 2008)		
BC	1.2	1.4
Vancouver	1.5	1.7
Victoria	0.6	0.8
Canada	1.4	2.1
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Apr '08	prev. month
Labour Force - BC	2,429	0.3
Employed - BC	2,324	0.3
Unemployed - BC	105	0.7
		Mar '08
Unemployment Rate - BC *(percent)*	4.3	4.3
Unemployment Rate - Canada *(percent)*	6.1	6.0
INTEREST RATES (percent)	May 7/08	May 9/07
Prime Business Rate	4.75	6.00
Conventional Mortgages - 1 year	6.95	6.60
- 5 year	6.99	6.64
US-CANADA EXCHANGE RATE	May 7/08	May 9/07
(avg. noon spot rate) Cdn $ per US $	1.0021	1.1064
(closing rate) US $ per Cdn $	0.9930	0.9046
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Apr '08	one year ago
BC	772.40	3.3
Canada	773.54	4.4

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

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Released this week by BC Stats

- Tourism Sector Monitor, April 2008
- Labour Force Statistics, April 2008
- Earnings & Employment Trends, April 2008

Next week

- Exports, March 008
- Quarterly Regional Statistics, 1st Quarter 2008

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